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WALKER DIGITAL FIVE HIGH RIDGE PARK STAMFORD, CT 06905			MYHRE, JAMES W	
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**BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES**

Application Number: 09/045,518  
Filing Date: March 20, 1998  
Appellant(s): Andrew S. Van Luchene

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FROM DIRECTORS OFFICE**

**JUN 14 2005**

**TECHNOLOGY CENTER 3600**

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Dean Alderucci  
For Appellant

**REQUEST FOR RECONSIDERATION AND REHEARING**

It is respectfully requested that the Decision on Appeal, dated May 26, 2004 in the above-identified application be scheduled for rehearing and reconsideration on the written record, as supplemented below. It is believed that the Board erred in determining that the invention, as claimed in claims 2, 4, 6, and 16-24, is statutory under 35 U.S.C. §101.

**Period for Reply**

The Appellant may file a reply to this request within one (1) month of the mailing date of this request for rehearing. After the expiration of this period, plus appropriate time for mailing, this application and request will be forwarded to the Board of Patent Appeals and Interferences for consideration.

### **Summary of the Invention**

The invention as claimed involves a method and apparatus for rounding a purchase price based upon a rounding code.

### **Issues on Appeal**

The issues on appeal are as follows:

1) 35 U.S.C. §101 rejection of claims 1-24 as being directed to non-statutory subject matter.

Note: Claims 1-15 have been cancelled by an amendment filed July 30, 2004, after the decision by the Board of Appeals.

### **Decision by the Board**

The Board of Appeals reversed the 35 U.S.C. §101 rejection of claims 2, 4, 6 and 16-24 (apparatus claims), yet affirmed the §101 rejection of claims 1, 3, 5 and 7-15 (method claims).

The decision states at the top of page 8 that “We observe at the outset that claims 2, 4, 6, and 16-24 recite a computer implemented invention for rounding a purchase price, and arguably produce a “useful, concrete and tangible result”, and are therefore statutory within the meaning of 35 U.S.C. §101 according to State Street Bank. Accordingly, the rejection of claims 2, 4, 6, and 16-24 under 35 U.S.C. §101 is reversed.”

The decision also states on page 16 “Although a statutory “process” under §101 does not have to be performed by a machine, there must be a transformation of physical subject matter from one state to another, e.g., a step of “mixing” two chemicals transforms two separate

chemicals into a manufacture or a composition of matter, regardless of whether it is performed by a human or a machine. Here there is no transformation of physical subject matter. Thus, claims 1, 3, 5, and 7-15 are directed to nonstatutory subject matter as not meeting the definition of a “process” under § 101.”

The decision at pages 18-19 states “The method, as claimed, is considered an “abstract idea” because no concrete and tangible means for accomplishing the plan is claimed. The method, as claimed, covers any and every possible way of implementing the plan, which indicates that it is directed to an “abstract idea” or concept itself, rather than a practical application of the idea...Thus, we hold that claims 1, 3, 5, and 7-15 are directed to nonstatutory subject matter under the “abstract idea” exception.”

Finally, the decision concludes by stating on page 22 that “While the claimed subject matter may be “useful” because it has some utility to society by rounding a purchase price, this is not enough. Therefore, we hold that claims 1, 3, 5, and 7-15 are directed to nonstatutory subject matter because they do not recite a “practical application” or produce a “concrete and tangible result” under State Street.”

#### **Issue for Reconsideration**

The issue to be addressed in this reconsideration is whether the Board erred in applying the “useful, concrete and tangible result” test found in State Street Bank & Trust Co. v. Signature Fin. Group, Inc., 149 F.3d 1368, 1375, 47 USPQ2d 1596 (Fed. Cir. 1998).

### Analysis of the Issues

Even though the Board of Appeals found that the method claims on appeal were an “abstract idea” and did not recite a “practical application”, the Board found that the apparatus claims produced a useful, concrete and tangible result because a computer implemented invention for rounding a purchase price is recited. The apparatus claims and the methods claims however both produce the same result, i.e. a rounded purchase price. See for example method claim 1, “receiving a rounding code...rounding a purchase price based on the rounding code” and apparatus claim 2, “the processor operative with the program to: receive a rounding code...round a purchase price based on the rounding code”.

The concerns raised in the decision regarding physical transformation do not treat the *result* of the method and the apparatus as required by State Street Bank. Physical transformation merely relates to how the result was achieved. Computers necessarily provide some physical transformation as they process electrical signals to create other electrical signals. If physical transformation was truly the defining standard, the court in State Street Bank need only to have found that the claim recited a computer to determine statutory subject matter without any further inquiry.

The test in State Street Bank is focused on whether a useful, concrete and tangible *result* is found, not physical transformation. Thus, the Board erred in finding that the apparatus claims were statutory even though they produced the very same result as the method claims which were held to be abstract ideas and lack a practical application. An abstract idea will not become any less abstract by merely placing it on a computer.

**Conclusion**

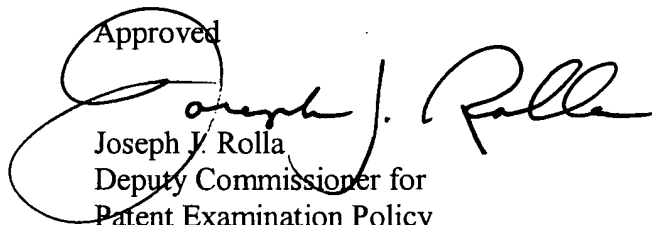
For the reasons set forth above, it is respectfully requested that the decision of the Board of Patent Appeals and Interferences dated May 26, 2004, be reconsidered and that the 35 U.S.C. §101 rejection of Appellant's claims 1-24 as being non-statutory be Affirmed.

Respectfully submitted,

Approved

  
John J. Love  
Director, Technology Center 3600

Approved

  
Joseph J. Rolla  
Deputy Commissioner for  
Patent Examination Policy